

CALIFORNIA COASTAL COMMISSION

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July 5, 2005

Eric Gillies
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825

RE: Comments on Notice of Preparation (NOP) of Draft Environmental Impact Report for proposed Recommissioning of State Lands Lease PRC 421 (SCH #2005061013)

VIA FACSIMILE (916) 574-1897

Dear Mr. Gillies:

Thank you for the opportunity to comment on the above-referenced document. The proposed project would involve resumption of oil production at State Tidelands Lease 421 on the shoreline of the Santa Barbara Channel adjacent to the City of Goleta. The NOP states that oil production is expected to occur for about 12 years and would produce a total of about 1.4 million barrels of oil over that time. The proposed project would be located within the retained jurisdiction of the Coastal Commission and will be required to undergo review for a coastal development permit.

We are providing the comments below to be incorporated into the Draft Environmental Impact Report (EIR), and will likely submit additional comments during our review of that document.

- 1) Vested Rights: This lease has been subject to questions about whether Venoco has any vested rights associated with the previous oil and gas production activities at the site. The wells were originally established by a different leaseholder in 1928 and were shut-in in 1993, after which Venoco acquired interest in the lease.

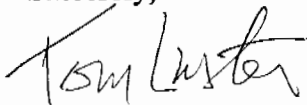
1-1

The EIR should address the issue of whether Venoco has any vested rights to produce oil and gas from this lease or from these wells. Alternative conclusions about this issue could result in very different projects with substantially different potential environmental effects. If the issue is not fully resolved during CEQA review, at the very least the EIR must assess the different environmental impacts that could result from findings that Venoco either has vested rights or does not. Please note that the proposed project may require determinations on at least two different vested right questions – one to determine whether such rights exist associated with the State Lands lease and one to determine whether such rights exist pursuant to Coastal Act provisions.

- 2) Alternatives Analysis: The NOP states that the EIR will review two alternatives to the proposed project – the required “no project” alternative and an alternative that involves processing production fluids at the Ellwood Facility rather than on the Lease 421 pier. The EIR should also assess alternatives for each of the proposed project components and processes (e.g., location of production wells, methods to separate produced oil, water, and gas, methods of disposing of return water etc.) and how and where those aspects of the proposed project would occur. Because of the biologically sensitive nature of the nearby shoreline and the potentially significant adverse impacts the project could cause on coastal resources, the EIR should assess all feasible alternatives and locations for each aspect of the proposal to determine whether there are some that may be less environmentally damaging. 1-2
- 3) Existing Infrastructure: The NOP briefly describes the age and condition of the existing equipment and infrastructure at the project site. Some has been in place for several decades and some has not been tested for structural integrity for a number of years. There have been at least three spills or leaks since 1993 and some equipment has been found to be corroded. The EIR should assess the condition of all existing infrastructure, its expected remaining operating life, whether it meets applicable regulatory requirements, and should identify any impacts associated with the necessary equipment replacement. 1-3
- 4) Biological Resources: The NOP states that biological issues associated with the proposed project include adverse effects that would occur due to an oil spill. The EIR should also evaluate the potential adverse effects to biological resources that could result from project-related construction activities and from the presence and normal operation of the proposed project in an environmentally sensitive area. 1-4
- 5) Hazards and Hazardous Materials: The NOP describes several general aspects of hazards that will be assessed in the EIR. The EIR should also provide a detailed assessment of geologic and seismic risks associated with the proposed project site, including earthquakes and ground movement, coastal erosion, and tsunamis, and should describe both the potential impacts of such events and the mitigation measures that would be required to avoid or reduce the risks associated with these events. 1-5

Thank you again for the opportunity to comment. We look forward to continued review as you complete the CEQA process for this proposed project.

Sincerely,



Tom Luster
Energy and Ocean Resources Unit

Cc: Venoco, Inc. – Steve Greig
Santa Barbara County – Doug Anthony
CEQA State Clearinghouse



DEPARTMENT OF FISH AND GAME

<http://www.dfg.ca.gov>
4949 Viewridge Avenue
San Diego, CA 92123
(858) 467-4201



July 5, 2005

Eric Gillies, Staff Environmental Scientist
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825

**Notice of Preparation of a Draft Environmental Impact Report
For the State Lease PRC 421 Recommissioning Project
SCH #2005061013**

The Department of Fish and Game (Department) appreciates this opportunity to comment on the above-referenced project, relative to impacts to biological resources. The proposed project involves the resumption of oil production on State Tidelands Lease PRC 421.1, adjacent to the City of Goleta, in Santa Barbara County. Existing facilities to be returned to service include two wells located below the bluffs defining the southern boundary of the Sandpiper Golf Course. The proposed project has potential for impacts to both terrestrial and marine resources.

To enable Department staff to adequately review and comment on the proposed project we recommend the following information, **where applicable**, be included in the Draft Environmental Impact Report:

1. A complete, **recent** assessment of flora and fauna within and adjacent to the project area, with particular emphasis upon identifying endangered, threatened, and locally unique species and sensitive habitats. 2-1
 - a. A thorough **recent** assessment of rare plants and rare natural communities, following the Department's Guidelines for Assessing Impacts to Rare Plants and Rare Natural Communities (attachment).
 - b. A complete, **recent** assessment of sensitive fish, wildlife, reptile, and amphibian species. Seasonal variations in use of the project area should also be addressed. Recent, focused, species-specific surveys, conducted at the appropriate time of year and time of day when the sensitive species are active or otherwise identifiable, are required. Acceptable species-specific survey procedures should be developed in consultation with the Department and U.S. Fish and Wildlife Service.
 - c. **Rare, threatened, and endangered species to be addressed should include all those which meet the California Environmental Quality Act (CEQA) definition (see CEQA Guidelines, § 15380).**

- d. The Department's California Natural Diversity Data Base in Sacramento should be contacted at (916) 324-3812 to obtain current information on any previously reported sensitive species and habitats, including Significant Natural Areas identified under Chapter 12 of the Fish and Game Code. Also, any Significant Ecological Areas (SEAs), Significant Natural Areas (SNAs), or Environmentally Sensitive Habitats (ESHs) or any areas that are considered sensitive by the local jurisdiction located in or adjacent to the project area must be addressed.
2. A thorough discussion of direct, indirect, and cumulative impacts expected to adversely affect biological resources, with specific measures to offset such impacts. This discussion should focus on maximizing avoidance, and minimizing impacts. 2-2
- a. CEQA Guidelines, § 15125(a), direct that knowledge of the regional setting is critical to an assessment of environmental impacts and that special emphasis should be placed on resources that are rare or unique to the region.
 - b. Project impacts should also be analyzed relative to their effects on off-site habitats and populations. Specifically, this should include nearby public lands, open space, adjacent natural habitats, and riparian ecosystems. Impacts to and maintenance of wildlife corridor/movement areas, including access to undisturbed habitat in adjacent areas, should be fully evaluated and provided. The analysis should also include a discussion of the potential for impacts resulting from such effects as increased vehicle traffic and outdoor artificial night lighting.
 - c. A cumulative effects analysis should be developed as described under CEQA Guidelines, § 15130. General and specific plans, as well as past, present, and anticipated future projects, should be analyzed relative to their impacts on similar plant communities and wildlife habitats.
 - d. Impacts to migratory wildlife affected by the project should be fully evaluated. This can include such elements as migratory butterfly roost sites and neo-tropical bird and waterfowl stop-over and staging sites. All migratory nongame native bird species are protected by international treaty under the Federal Migratory Bird Treaty Act (MBTA) of 1918 (50 C.F.R. Section 10.13). Sections 3503, 3503.5 and 3513 of the California Fish and Game Code prohibit take of birds and their active nests, including raptors and other migratory nongame birds as listed under the MBTA.
 - e. Impacts to all habitats from City or County required Fuel Modification Zones (FMZ). Areas slated as mitigation for loss of habitat shall not occur within the FMZ.
 - f. Proposed project activities (including disturbances to vegetation) should take place outside of the breeding bird season (February 1- August 15) to avoid take (including disturbances which would cause abandonment of active nests containing eggs and/or young). If project activities cannot avoid the breeding bird

season, nest surveys should be conducted and active nests should be avoided and provided with a minimum buffer as determined by a biological monitor (the Department recommends a minimum 500 foot buffer for all active raptor nests).

3. An EIR shall describe feasible measures which could minimize significant adverse impacts (CEQA Guidelines §15126.4(a)(1)). Mitigation measures for project impacts to sensitive plants, animals, and habitats should emphasize evaluation and selection of alternatives which avoid or otherwise minimize impacts. Compensation for unavoidable impacts through acquisition and protection of high quality habitat elsewhere should be addressed. 2-3
 - a. The Department considers Rare Natural Communities as threatened habitats having both regional and local significance. Thus, these communities should be fully avoided and otherwise protected from project-related impacts. The List of California Terrestrial Natural Communities is available on request or may be viewed and downloaded online by visiting the Department's website at http://www.dfg.ca.gov/whdab/html/natural_communities.html.
 - b. The Department generally does not support the use of relocation, salvage, and/or transplantation as mitigation for impacts to rare, threatened, or endangered species. Department studies have shown that these efforts are experimental in nature and largely unsuccessful.
4. A range of alternatives should be analyzed to ensure that alternatives to the proposed project are fully considered and evaluated. A range of alternatives which avoid or otherwise minimize impacts to sensitive biological resources including wetlands/riparian habitats, alluvial scrub, coastal sage scrub, native woodlands, etc. should be included. Specific alternative locations should also be evaluated in areas with lower resource sensitivity where appropriate. 2-4
5. A California Endangered Species Act (CESA) Permit must be obtained, if the project has the potential to result in "take" of species of plants or animals listed under CESA, either during construction or over the life of the project. CESA Permits are issued to conserve, protect, enhance, and restore State-listed threatened or endangered species and their habitats. Early consultation is encouraged, as significant modification to the proposed project and mitigation measures may be required in order to obtain a CESA Permit. Revisions to the Fish and Game Code, effective January 1998, require that the Department issue a separate CEQA document for the issuance of a CESA permit unless the project CEQA document addresses all project impacts to listed species and specifies a mitigation monitoring and reporting program that will meet the requirements of a CESA permit. For these reasons, the following information is requested: 2-5
 - a. Biological mitigation monitoring and reporting proposals should be of sufficient detail and resolution to satisfy the requirements for a CESA Permit.

- b. A Department-approved Mitigation Agreement and Mitigation Plan are required for plants listed as rare under the Native Plant Protection Act.
- 6. The Department opposes the elimination of watercourses and/or their channelization or conversion to subsurface drains. All wetlands and watercourses, whether intermittent, ephemeral, or perennial, must be retained and provided with substantial setbacks which preserve the riparian and aquatic habitat values and maintain their value to on-site and off-site wildlife populations.
 - a. The Department requires a streambed alteration agreement, pursuant to Section 1600 et seq. of the Fish and Game Code, with the applicant prior to any direct or indirect impact to a lake or stream bed, bank or channel or associated riparian resources. The Department's issuance of a stream bed alteration agreement may be a project that is subject to CEQA. To facilitate our issuance of the agreement when CEQA applies, the Department as a responsible agency under CEQA may consider the local jurisdiction's (lead agency) document for the project. To minimize additional requirements by the Department under CEQA the document should fully identify the potential impacts to the lake, stream or riparian resources and provide adequate avoidance, mitigation, monitoring and reporting commitments for issuance of the agreement. Early consultation is recommended, since modification of the proposed project may be required to avoid or reduce impacts to fish and wildlife resources.

Mr. Eric Gillies
July 5, 2005
Page 5 of 5

The Department suggests a pre-project or early consultation planning meeting for all projects. For terrestrial issues, please call Martin Potter, Wildlife Biologist, at (805) 640-3677. For marine issues, please call Thomas Napoli, Staff Environmental Scientist, at (562) 342-7164. Thank you for this opportunity to provide comment.

Sincerely,


For Morgan Wehtje
Environmental Scientist IV

attachment

cc: Mr. Martin Potter
Department of Fish and Game
Ojai, California

Mr. Thomas Napoli
Department of Fish and Game
Los Alamitos, California

Mr. Scott Morgan
State Clearinghouse
Sacramento, California

Guidelines for Assessing the Effects of Proposed Projects on Rare, Threatened, and Endangered Plants and Natural Communities

State of California
THE RESOURCES AGENCY
Department of Fish and Game
December 9, 1983
Revised May 8, 2000

The following recommendations are intended to help those who prepare and review environmental documents determine **when** a botanical survey is needed, **who** should be considered qualified to conduct such surveys, **how** field surveys should be conducted, and **what** information should be contained in the survey report. The Department may recommend that lead agencies not accept the results of surveys that are not conducted according to these guidelines.

1. Botanical surveys are conducted in order to determine the environmental effects of proposed projects on all rare, threatened, and endangered plants and plant communities. Rare, threatened, and endangered plants are not necessarily limited to those species which have been "listed" by state and federal agencies but should include any species that, based on all available data, can be shown to be rare, threatened, and/or endangered under the following definitions:

A species, subspecies, or variety of plant is "endangered" when the prospects of its survival and reproduction are in immediate jeopardy from one or more causes, including loss of habitat, change in habitat, over-exploitation, predation, competition, or disease. A plant is "threatened" when it is likely to become endangered in the foreseeable future in the absence of protection measures. A plant is "rare" when, although not presently threatened with extinction, the species, subspecies, or variety is found in such small numbers throughout its range that it may be endangered if its environment worsens.

Rare natural communities are those communities that are of highly limited distribution. These communities may or may not contain rare, threatened, or endangered species. The most current version of the California Natural Diversity Database's List of California Terrestrial Natural Communities may be used as a guide to the names and status of communities.

2. It is appropriate to conduct a botanical field survey to determine if, or to the extent that, rare, threatened, or endangered plants will be affected by a proposed project when:
 - a. Natural vegetation occurs on the site, it is unknown if rare, threatened, or endangered plants or habitats occur on the site, and the project has the potential for direct or indirect effects on vegetation; or
 - b. Rare plants have historically been identified on the project site, but adequate information for impact assessment is lacking.
3. Botanical consultants should possess the following qualifications:
 - a. Experience conducting floristic field surveys;
 - b. Knowledge of plant taxonomy and plant community ecology;
 - c. Familiarity with the plants of the area, including rare, threatened, and endangered species;
 - d. Familiarity with the appropriate state and federal statutes related to plants and plant collecting; and,
 - e. Experience with analyzing impacts of development on native plant species and communities.
4. Field surveys should be conducted in a manner that will locate any rare, threatened, or endangered species that may be present. Specifically, rare, threatened, or endangered plant surveys should be:
 - a. Conducted in the field at the proper time of year when rare, threatened, or endangered species are both evident and identifiable. Usually, this is when the plants are flowering.

When rare, threatened, or endangered plants are known to occur in the type(s) of habitat present in the project area, nearby accessible occurrences of the plants (reference sites) should be observed to determine that the species are identifiable at the time of the survey.

- b. Floristic in nature. A floristic survey requires that every plant observed be identified to the extent necessary to determine its rarity and listing status. In addition, a sufficient number of visits spaced throughout the growing season are necessary to accurately determine what plants exist on the site. In order to properly characterize the site and document the completeness of the survey, a complete list of plants observed on the site should be included in every botanical survey report.
 - c. Conducted in a manner that is consistent with conservation ethics. Collections (voucher specimens) of rare, threatened, or endangered species, or suspected rare, threatened, or endangered species should be made only when such actions would not jeopardize the continued existence of the population and in accordance with applicable state and federal permit requirements. A collecting permit from the Habitat Conservation Planning Branch of DFG is required for collection of state-listed plant species. Voucher specimens should be deposited at recognized public herbaria for future reference. Photography should be used to document plant identification and habitat whenever possible, but especially when the population cannot withstand collection of voucher specimens.
 - d. Conducted using systematic field techniques in all habitats of the site to ensure a thorough coverage of potential impact areas.
 - e. Well documented. When a rare, threatened, or endangered plant (or rare plant community) is located, a California Native Species (or Community) Field Survey Form or equivalent written form, accompanied by a copy of the appropriate portion of a 7.5 minute topographic map with the occurrence mapped, should be completed and submitted to the Natural Diversity Database. Locations may be best documented using global positioning systems (GPS) and presented in map and digital forms as these tools become more accessible.
5. Reports of botanical field surveys should be included in or with environmental assessments, negative declarations and mitigated negative declarations, Timber Harvesting Plans (THPs), EIR's, and EIS's, and should contain the following information:
- a. Project description, including a detailed map of the project location and study area.
 - b. A written description of biological setting referencing the community nomenclature used and a vegetation map.
 - c. Detailed description of survey methodology.
 - d. Dates of field surveys and total person-hours spent on field surveys.
 - e. Results of field survey including detailed maps and specific location data for each plant population found. Investigators are encouraged to provide GPS data and maps documenting population boundaries.
 - f. An assessment of potential impacts. This should include a map showing the distribution of plants in relation to proposed activities.
 - g. Discussion of the significance of rare, threatened, or endangered plant populations in the project area considering nearby populations and total species distribution.
 - h. Recommended measures to avoid impacts.
 - i. A list of all plants observed on the project area. Plants should be identified to the taxonomic level necessary to determine whether or not they are rare, threatened or endangered.
 - j. Description of reference site(s) visited and phenological development of rare, threatened, or endangered plant(s).
 - k. Copies of all California Native Species Field Survey Forms or Natural Community Field Survey Forms.
 - l. Name of field investigator(s).
 - j. References cited, persons contacted, herbaria visited, and the location of voucher specimens.

LEAGUE OF WOMEN VOTERS OF SANTA BARBARA
328 East Carrillo Street, Ste. A
Santa Barbara, CA 93101

June 23, 2005

To: Eric Gillies, Staff Environmental Scientist,
California State Lands Commission
Re: Scoping of EIR for the Recommissioning of Oil Production on Oil and Gas Lease
PRC 421

The Santa Barbara League of Women Voters appreciates this opportunity to comment on the EIR for the proposed reactivation of PRC 421. We think it is important for meetings such as this to be held locally so that concerned citizens can provide input. Sometimes they raise issues or provide information that might otherwise not surface until much later in the process.

The League would like to note certain segments of the EIR which we think merit special attention:

Air Quality – the project would be located close to an area that has become urban since oil was first produced from 421 in 1929. A few years back the proximity of homes made air quality problems at the nearby Ellwood Onshore Facility a major concern leading to numerous remediations being required there. 3-1

Biological Resources – the scoping document notes the biological richness of the area; it is important to recognize also that the University of California conducts research in adjacent waters. The document notes the “reasonable possibility” of an oil spill. Spills so close to shore must be virtually impossible to contain before they impact resources. The League recommends mitigations such as frequent inspections of this old facility and a stress on training and testing of personnel to reduce the human error factor. 3-2

Cumulative Effects – this is always an important section; people do tend to focus only on the project at hand. There are a number of speculative considerations here, such as the lease renewal of the Ellwood marine terminal and the full field development proposal for Platform Holly. The extension of the Gato Canyon lease in federal waters is another unresolved possibility. 3-3

Alternatives Analysis – the No Project Alternative should be given careful consideration. Well 421-2 has leaked both methane and oil in the past and as noted its location is no longer remote from homes and other development. The sea wall needed emergency repairs last winter and the basic project was built a long time ago. Indeed, the appropriateness of the oil industry at Ellwood in general has been under question for some time. 3-4

Jean Holmes, Chair
Energy Committee
jeanholmes@earthlink.net

7650 Newport Drive
Goleta, CA 93117
July 2, 2005

Eric Gillies, Staff Env. Scientist
California State Lands Commission
Sacramento, CA 95825
FAX: (916) 574-2274

Re: Recommissioning of Oil Production on Lease PRC-421

Dear Mr. Gillies,

Following are my comments on environmental issues and alternatives on the subject project for consideration in the required EIR.

Aesthetic & Visual Resources: *Since the beach and piers are accessed by more tourists and walkers than in the past, consider the impact on these resources.* 4-1

Air Quality: Past owners of oil projects in the area had a very poor record for honesty and transparency when dealing with problems. Many residents remember these struggles and **odors**. The project should include the latest technology and methods of enforcing infractions. 4-2

Hazards: While the long-time hazards of aged equipment, human error, and lack of transparency seem to have improved, the greatest areas of concern for hazards would be air quality (affecting thousands of residents), explosion, tanker accident, oil on the beach and/or airplane crash for people at the golf course, the Bacara, the new residences on Comstock property, Ellwood School, the Onshore Terminal property, and Isla Vista School and beaches east of the piers. 4-3

The information acquired at the two workshops on how the new oil would be transported was not consistent. Will the oil be piped to the Onshore Terminal or? Will the oil be piped to Los Flores? The oil currently piped down Hollister/Canon Green must be carefully monitored to protect human health and safety. The EIR should detail the hazards and identify the safest method(s). 4-4

Venoco has been asked for a map of the all the pipes in the ground around the Onshore Terminal/ It has not been provided. This is of more importance since the University of CA is planning to build hundreds of residences around the Onshore Terminal and the existing residential neighborhoods and Isla Vista School. *Please provide analysis on the additional truck transport trips required for the new oil. Please provide analysis on the subject of the safety of the large, old tanks/metal fatigue/H2s at the Onshore Terminal.*

4-5

In closing, *please analyze the Alternative of "No Project with Removal of the Piers."* The Hazards seem to outweigh any benefit to the thousands of people living around these oil industry facilities.

4-6

Sincerely,

Kathleen Gebhardt

Sent by fax and email
7/2/05



Citizens for Goleta Valley

P.O. Box 1564, Goleta, CA 93116-1564

July 5, 2005

Eric Gilles, Staff Environmental Scientist
California State Lands Commission
Via email gillie@slc.ca.gov

Recommissioning of Oil Production on Oil and Gas Lease PRC 421, Shoreline Piers

Dear Mr. Gillies,

Citizens for Goleta Valley is a grass roots organization that is primarily focused on land use planning policies that protect our quality of life: the air we breathe, our water, protection of wildlife on our communities. Because oil and gas excavation and production impacts all of these qualities, we have been involved regular participants of the Environmental Coalition, a group that monitors oil development to make sure all regulations are strictly enforced. We are submitting these scoping comments for the subsequent Environmental Impact Report (EIR) on the proposed resurrection of Lease 421, and hope they make this process more comprehensive.

On page 1 of the NOP, there is a projection of a 12 year lifespan, if 421 returns to production. What data supports this table? At a recent meeting with Venoco, they said that they had been intermittently draining oil from this site. Is that correct? 5-1

Who has owned these piers over the years?. What historical data do have on excavation from this site? What maintenance records? When the wells were shut down in 1993, did Venoco do any maintenance on the site, once they took possession?

The site has recently been repaired, with an emergency permits. What is the structural integrity of both piers? How has that integrity been evaluated? As I understand it, this is the last onshore facility in California. Why have other onshore sites been abandoned? 5-2

Where will the 200 kVA be buried? Will this impact the shoreline? Will the work to recommission impact recreation opportunities along the shore and the surrounding area? If so, what will those impacts be? Will any of the upgrade on current equipment or construction of new equipment for this recommissioning take place in the shoreline or sand? If so, what will the impacts be? What will the impacts of the trenching, needed to repair the flowline, be,? (page 11, 2nd paragraph). What is the likelihood and subsequent impacts of the electrical cables being exposed? 5-3

Is adding equipment to the Ellwood Oil Facility (EOF) in order to accommodate this recommissioning, conflict with the current zoning? (non-conforming use). What noise and lighting impacts will the recommissioning have at the piers and at EOF? How will the water and commingled gas be transported to Platform Holly? What are the advantages or disadvantages of disposing the produced water and gas at Well 421-1 versus Holly? 5-4

Is Line 96 also subject to non-conforming use restrictions? If so, will this additional production conflict with current zoning? Currently, Line 96 can leak 19 barrels of oil within a certain period 5-5

of time, before a leak is detected. How much oil can leak in what period of time before a leak is detected at EOF?

On Page 9, paragraph 4, “One of both of the flowlines will also be coated”. What is the impacts of coating or not coating one or both flowlines? On page 12, bottom, the construction period is described as being “very brief”. What exactly is the timeline? 5-6

Will construction be allowed when it rains? If so, what conditions will minimize impacts to the ocean and surrounding area? 5-7

The alternatives analysis will include abandonment. According to recent legislation, any new oil development must be pipelined. I recognize there is some debate on whether or not this is “new oil development”, however, pipelining this oil to the All American Pipeline, should also be an alternative. Hopefully, the Marine Terminal Lease question will have been settled before this process begins. However, one cannot assume that the lease will be renewed, or even if it is, what conditions will be placed on Venoco, how long they will take to implement and whether or not there is litigation. If recommissioning the piers is dependant on renewal of the Marine Terminal Lease, that should be acknowledged in this EIR. 5-8

Potential Environmental Effects

While many will point to Clean Seas as a remedy for an oil accident, I’d like to know the last time they were effective. When Platform Irene had a significant accident, nothing was done to keep the oil out of the Santa Ynez River. Dispersion is the No. 1 strategy for oil clean-up, and straw and rakes is the other. In addition, we are learning that oil stays longer in the environment, especially the sea floor, and is more toxic than previously thought. These toxins contaminate sealife and work their way up the food chain. The assessment for accidents must include the impacts of an oil spill, and how it will impact the environment for the long-term. Prince Rupert sound remains polluted. The EIR should reverence what data and analysis it uses to asses these impacts. 5-9

Visual Resources:

We recently raised \$20.4 million to protect the Ellwood Mesa. The shoreline and the whole area are very much valued by our community. This recent effort should be considered when evaluating the Class if Impacts both visual and noise will have on the surrounding area. 5-10

Air Quality:

The impacts to air quality should also be considered within the context that this is a place where people come to recreate and find peace and quiet. As well as impact to wildlife. In addition, the cumulative impacts of 421, Holly and EOF should be taken into consideration, as well as neighboring facilities, like Las Flores. 5-11

Wildlife

Evaluation of the extent of seasonal habitat, like wetlands or certain bird species, need to be evaluated at the appropriate time of year. Eel grass has recently been studied along our shore, and least terns were nesting at Coal Oil Point Reserve last year. It is important for the EIR to clearly articulate when and how various species were identified. 5-12

Commercial and Sports Fisheries

Onshore fishing by local population is common, especially for low-income people. 5-13
Impacts to recreation and tourist industry should be evaluated. At a recent meeting, Bacara representative reported that there were fumes all through Memorial Weekend. Bacara, Sandpiper Golf Course, Coal Oil Point Reserve and the Marine Science Institute could all be impacted. The MSI has a water intake system for its tanks that could be impacted in the event of a spill.

Noise

As stated above, impacts to wildlife, especially birds, should be evaluated, as well as humans. 5-14

Fire

What is the actual response time a fire truck or other emergency vehicle access the site in the event of an emergency? 5-15

Cultural Resources were recently found at Santa Barbara Airport. What procedures will be followed in the event Chumash artifacts or remains are found during construction? 5-16

Environmental Justice

The Ellwood and Isla Vista Community have substantial low-income populations, that also include minorities. The EIR should state clearly what data was used to evaluate this component. 5-17

Cumulative Effects

The increase in asthma and other lung diseases that particularly affect children and the elderly should be evaluated. 5-18

Thank you for your consideration of these comments.

Sincerely,
Diane Conn
Program Director

June 29, 2005

Mr. Eric E. Gillies
California State Lands Commission
Division of Environmental Planning and Management
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

RE: PRC-421 Recommissioning Project: Notice of Preparation

Dear Mr. Gillies,

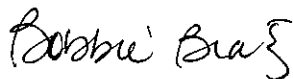
The Santa Barbara County Air Pollution Control District (APCD), as a responsible agency under CEQA, has reviewed the NOP for the above mentioned proposed project.

In general, we concur with the Air Quality scope of analysis and significance criteria listed on Page 15 of the NOP document. Our specific comments relating to APCD permitting are attached.

Air Quality Setting Update: Santa Barbara County is considered in attainment of all the federal standards including the federal one-hour ozone standard and the federal eight-hour ozone standard. Santa Barbara County is also in attainment for all the state standards except the state one-hour and eight-hour ozone standards and the standard for particulate matter less than ten microns in diameter (PM10). There is not yet enough data to determine the attainment for either the federal standard for particulate matter less than 2.5 microns in diameter (PM2.5) or the state PM2.5 standard. The 2004 Clean Air Plan describes the air quality setting and may be incorporated by reference and summarized in the DEIR.

Thank you for the opportunity to comment on the NOP for this project. The APCD, as a responsible agency, will use the environmental document prepared by the CSLC (as the lead agency) to meet the CEQA requirements for the subsequent APCD permits. The APCD permit contact for this project will be Sanjib Mukherji, Permit Engineer, 805-961-8814. Please contact Ms. Vijaya Jammalamadaka of my staff as the APCD CEQA liaison on matters pertaining to the environmental review at 805-961-8893 or e-mail: vlj@sbcapcd.org if we can be of further help.

Sincerely,



Bobbie Bratz
Public Information Officer and Community Programs Supervisor

cc: Sanjib Mukherji
TEA Chron File

SBCAPCD Comments on DEIR Scoping
For Venoco's Proposed Re-commissioning of Lease 421

Based on the information provided in the NOP, the following are the APCD's comments on Venoco's proposed DEIR scoping for Venoco's proposed re-commissioning of Lease 421:

A. Construction Activities:

1. The proposed 'construction' activities for the project may be exempt from APCD permitting. However, if the emission of a single pollutant from construction activities exceeds 25 tons over a 12-month period, then Venoco will be required to provide offsets for this emission. The following activities proposed for the project can generate quantifiable air emissions including air toxics: 6-1
 - a. Installation of ESP in Well 421-2 (diesel emissions);
 - b. Installation of GLCS at the 421-2 wellhead (diesel emissions);
 - c. Pigging and clean-up of pipelines (ROC emissions);
 - d. Construction of new pipe lines and containment on both piers (diesel emissions);
 - e. Trench excavation and installation of new power cables (diesel emissions); and
 - f. Flushing and abandonment of existing buried flow lines (ROC emissions).

The DEIR should look critically at (a) PM₁₀/air toxic emissions and (b) any emissions control efficiency level assumed for equipment units used in the operations listed above. Also, the proposal does not indicate any use of a boat or barge on water or trucks over land to transport the drilling rig and building materials to the well head site. Emissions aspects of these operations need to be addressed by the DEIR, particularly traffic emissions and fugitive dust emissions. 6-2

The APCD notes that the pigging operation may require air permitting, if it subsequently becomes part of regular facility operations; and the pipeline flushing may require air pollutant emissions control to address ROC venting to the atmosphere 6-3

B. Well Drilling Activities:

2. Before any actual production starts, Venoco may find it necessary to re-drill wells at the site. During any well-drilling and any subsequent well testing that may be needed, two potential ROC fugitive emission activities may occur: (a) emissions from the drilling mud used, and (b) possible gas venting from well-tester equipment. The DEIR needs to address any emissions impact, if these two operations are expected to occur at any time before regular production starts. 6-4

Any drilling and well work over equipment will be subject to APCD permitting, if the emission of a single pollutant from such equipment units, combined for both Platform Holly and the proposed project, exceeds 25 tons over a 12-month period. 6-5

C. Future Well Operations:

3. The oil production limit for the Beachfront Lease 421, when it was operating Well 421-2, was 250 barrels of dry oil per day. No gas production was listed on its extant permit. Venoco will need to obtain APCD permits, both Authority to Construct (ATC) and Permit to Operate (PTO), to produce 680 barrels of dry oil per day at the Lease. (No additional gas production at EOF from Well 421-2 is contemplated). This additional oil output going through Line 96 is not expected to result in any exceedance of Venoco's Line 96 permit throughput limit of 12,000 barrels/day, since the current actual Line 96 throughput averages about 3,300 barrels per day, i.e., 27.5% of the permitted limit. 6-6

The project stipulates "At no point will the fluids produced from the proposed project enter the EOF," and "the water will be commingled with the produced gas and sent ...to Platform Holly at a later time for *injection* (emphasis added)." Thus, the proposed project does not result in any additional air permit liabilities for the Holly or the EOF. 6-7

4. Venoco needs to provide a detailed estimate of the air emissions from the operational phase of the project. These emissions will primarily be fugitive emissions from valves, pressure relief device(s) on the 'gas-liquid-cyclone' and the 'liquid hydro-cyclone' separators, piping components, well heads and well cellars. Fugitive ROC emission estimates from both wellheads must be included in the estimate. A suggested partial reference for the project's emissions analysis and estimate is the USEPA's 'Emission Inventory Improvement Program (EIIP), Volume II, Chapter 10 (*Preferred and Alternate Methods for Estimating Air Emissions from Oil and Gas Field Production and Processing Operations*), September 1999, accessible via Internet. 6-8



County of Santa Barbara Planning and Development

Dianne Meester, Assistant Director

June 29, 2005

Eric Gillies
Staff Environmental Scientist
California State Lands Commission
100 Howe Ave., Suite 100-South
Sacramento, CA 95825

RE: Notice of Preparation of a Draft Environmental Impact Report;
Recommissioning of Oil Production on Oil and Gas Lease PRC 421

Dear Mr. Gillies:

The Energy Division of the Santa Barbara County Planning and Development Department received the Notice of Preparation (NOP) for the above referenced project on June 6, 2005 and we have the following comments to offer:

1. *Section 2.1, Alternatives Proposed for Consideration:* The Energy Division supports the consideration of the newly identified project alternative, the "No Project and Facility Abandonment Alternative." Clearly, the State Lands Commission has a responsibility to assess the potential environmental impact of allowing the deteriorating piers to remain on the beach. 7-1
2. As you know, Venoco's lease extension with the University of California, Santa Barbara for the Ellwood Marine Terminal (EMT) is currently undergoing environmental review. The Administrative Draft EIR for that project should be released next month and the Energy Divisions plans to comment on the scope of that document as related to the current PRC 421 recommissioning proposal. 7-2

I look forward to our upcoming meeting at the Energy Division office on July 28th to select a consultant to prepare the EIR. If you have any questions, please feel free to call me at (805) 568-2042.

Sincerely,

NICOLE HORN
PLANNER

c: Ken Curtis, City of Goleta

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Energy Division

30 E. Figueroa Street, 2nd Floor · Santa Barbara CA 93101-2709
Phone: (805) 568-2040 Fax: (805) 568-2522



June 30, 2005

CITY COUNCIL

Jean W. Blois
Mayor

Jonny D. Wallis
Mayor Pro Tempore

Cynthia Brock
Councilmember

Margaret Connell
Councilmember

Jack Hawxhurst
Councilmember

CITY MANAGER
Len Wood
Interim

Eric Gillies
Staff Environmental Scientist
California State Lands Commission
100 Howe Ave., Suite 100-South
Sacramento, CA 95825

RE: Notice of Preparation of a Draft Environmental Impact Report;
Recommissioning of Oil Production on Oil and Gas Lease
PRC 421

Dear Mr. Gillies:

The City of Goleta received the Notice of Preparation (NOP) for the above referenced project on June 6, 2005 and we offer the following comments:

1. *Section 2.1, Alternatives Proposed for Consideration:* The City of Goleta supports consideration of the newly identified project alternative, the "No Project and Facility Abandonment" alternative. Under the "No Project" alternative, the existing wells would remain shut-in and no oil would be produced. However, under this scenario, the State Lands Commission would be allowing the aging oil piers to remain on the beach, resulting in potentially significant public safety impacts. In separate incidents within the past five years, the piers have leaked oil into the surrounding coastal habitat and portions of the caissons have collapsed. This third project alternative would allow an analysis of the associated environmental impacts of leaving shut-in, but not properly abandoned, oil infrastructure within the active surf zone.
2. *Section 3.9, Land Use, Planning and Recreation:* Since the City of Goleta is currently in the process of developing its General Plan, references in the Draft EIR to local land use plans, policies, ordinances, planning efforts, and planning documentation should include an assessment of potential conflicts with the City's Interim General Plan Policies adopted

8-1

8-2


on February 7, 2005 as well as policies in the Discussion Draft General Plan Land Use and Conservation Elements dated June 13, 2005.

3. The City requests that the environmentally superior alternative be identified. Identification of the environmentally superior alternative is usually required under CEQA, however, no environmentally superior alternative was identified in the State Lands Commission EIR prepared for the ARCO PRC 421 Pier Removal Project that was subsequently certified by your Commission on June 7, 2004. 8-3
4. The PRC 421 oil pier facilities were not included in the June 9, 2000 Quantitative Risk Assessment for Venoco's Platform Holly and Ellwood Facility. An analysis of the acute risk to the public associated with accidental releases from the proposed project would likely be required in accordance with the 1998 California Fire Code, Section 103 – Inspection and Enforcement. Therefore, a risk assessment should be included in the EIR. 8-4

We look forward to participating with State Lands and County staff on the July 28th interview panel that will select a consultant to prepare the EIR.

If you have any questions regarding this letter, please contact Nicole Horn of the Santa Barbara County Planning and Development Department's Energy Division, who is working under contract to the City. Ms. Horn may be reached at (805) 568-2042.

Sincerely,



Ken Curtis
Director
Planning and Environmental Services Department

cc: Nicole Horn, Santa Barbara County Planning and Development Department

David K. Sangster
7465 Hollister Ave. #434
Goleta, CA 93117-2537

July 5, 2005

Mr. Eric Gillies, Staff Environmental Scientist
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

SUBJECT: Comments on the **NOP OF DEIR CSLC EIR No.: 732**
(dated June 3, 2005) – Project PRC 421 Recommissioning

Dear Mr. Gillies:

My interest and concerns in this project only goes back to August 2004 when I first noticed the emergency repairs that were starting. I had noticed the repairs to the causeways before, and I had heard of the collapse of the front of PRC 421-1, but I had not been following the emergency permitting process with CSLC, CCC, or Goleta. It appeared that the repairs were moving along and I did have some questions and read the permit, which by the way, did not contain any drawings of the project. Things got interesting, however, when I noticed some oil between the new wall and the old structure. I usually don't get that far on my beach walks from Ellwood, and one of the reasons is the tides. There were several times when I wanted to see what was going on I had to drive and park at the Bacara Resort and Spa to walk back to the site. It is from these recent observations that most of my concerns regarding the environmental impacts of the project and specifically the condition of the two piers and their causeways arise.

I can only comment on the portions clearly visible from the beach – I have never been on the decks, and the only photo of the deck side that I can get is old - the internet photo taken in 2002 (specifically www.californiacoastline.org #3079). I have no comments nor do I have any information on the top decks.

There are several questions and concerns regarding the overall condition and safety of the two piers and the causeways that connect them to the road at the base of the cliff. The causeways were repaired in 2001. New white soldier piers and I-beams were added, but a lot of the old pipe piles were retained as structural members. It is not clear what they are still supporting, but their condition is very bad and they could collapse at any time, bringing down other parts of the structure. There are the obvious safety concerns for both the workers and the public, and concerns for the impacts of any further repairs that may be required if the wells are recommissioned.

9-1



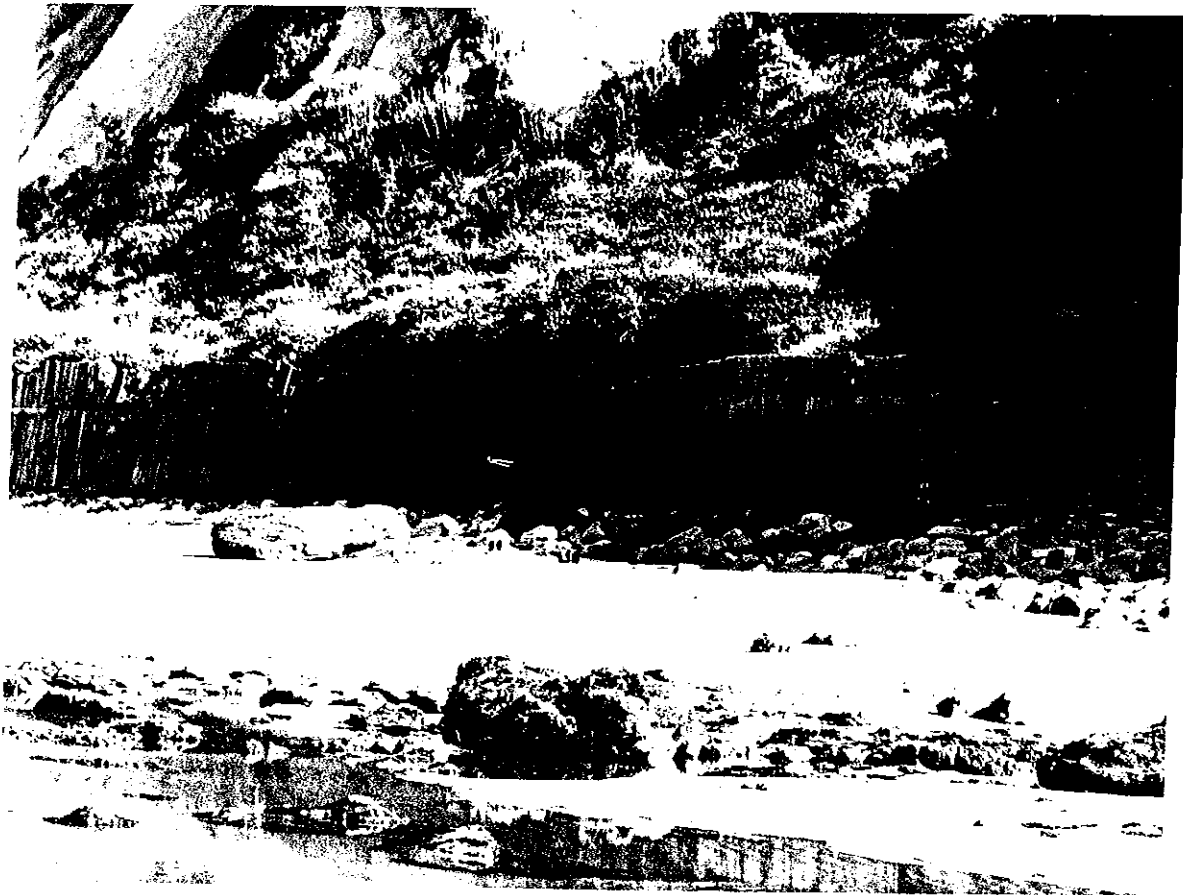
The condition of the piers or caissons has led to the emergency repair done to PRC 421-1 in 2004 and to the proposed repairs in the application to PRC 421-2. It is clearly stated on page 6 of the NOP that “the concrete coffer dam wall of the caisson has been permanently repaired etc.” but only one side of a new wall was built. The application for the repairs to 421-2 call for all four sides to be built which includes 40 steel piles going around the pier. Only 15 steel piles were placed in front of 421-1. On page 7 of the NOP it states that “The 421-2 caisson will undergo repairs comparable to those already completed at Pier 421-1”. To me, the difference between 15 and 40 is NOT comparable. Impacts resulting from the construction of the new wall around 421-2 should be determined by looking at all the problems encountered and the time-line while repairing just the front of 421-1. Also, if the current plan does not call for completing the other three walls on 421-1, then the impacts of any further and immanent repairs should be included. Access to 421-2 will be more difficult than for pier 421-1 since they will have to go under the 421-1 causeway except at very low tides. The proposed sand ramp on the beach is very close to the buried pipelines, and during the 2004 repairs, the drivers of the equipment had to cross over those pipelines several times in order to get up enough speed to get back up the soft sand ramp. It also appears that the original concrete structure was further cracked by all the heavy equipment and work – there was an oil leak that developed in the front wall that was poorly patched with epoxy, and a smelly (hydrogen sulfide) fluid was seen pouring out of cracks in the east side wall after the repairs were completed.

9-2

The no project alternative should include impacts from the immanent collapse of portions of the piers and causeways – there are safety concerns to the public as well as contamination concerns of the beach and ocean. The large amount of rotting metal is also giving off hydrogen sulfide, and so air quality is also affected and will be affected so long as the metal remains. I haven’t seen any

9-3

studies on the rate of H₂S produced by rotting metal, but the amount could slowly increase over the years as it deteriorates.



These concerns also apply to the remaining portions of the old seawall which was once used to access all the wells along that stretch of beach. It is not clear where the boundaries of lease 421 extend to, but all of the remaining seawall sections appear to be inside lease 3242, which is also operated by the same operator. A schedule for its removal should be prepared as mitigation to the project before it is further destroyed by the tides and waves. The large wooden beams are carried by the surf, and then cause further damage to the east and to the base of the bluffs – the beams, some with long steel spikes, help loosen the sand and lower the sand profile, thus exposing the base of the bluffs to the mechanical

erosion of the very large waterborne battering rams. The beams that have fallen off in the past are one of the main reasons for the problems along the coast to the east. A lot of the sand dunes along Ellwood were lost in 1998, and the problems along Isla Vista and Goleta Beach were also caused by those beams. There also appears to be considerable debris from past oil operations buried behind the seawall, and also the soil behind the seawall is contaminated with hydrocarbons. So far all of it has just been washed into the sea with the rains and tides.

Currently there are a lot of beams buried in the sand along Ellwood beach. They too should be cleaned up, or else they too will be exposed and become waterborne in the winter and cause further damage. In the case of a tsunami, any loose beams or sections of the seawall will be carried by the waves and cause a lot more damage than otherwise. Although the California State Lands Commission has in the past planned for the removal of that seawall along with other coastline hazards, California has not come up with the money. I question the cost effectiveness of not removing that seawall and cleaning up the loose beams – it appears that the damage already done and the remaining damage that will be done as the seawall completely disintegrates surely already has and will cost the state a lot more than the cost of its removal.

In view of the possible impacts of the project as well as the “No Project Alternative”, I proposed a second alternative which would consider the impacts of the abandonment and complete removal of the piers and causeways. I would also like to include the removal of the remains of the seawall. After the lifetime of the project it will all have to be abandoned – what is not clear in the project description is how or when the new permanent repairs will or will not be dismantled. The application and the EIR should be very clear as to the details of any new very large permanent structure in the surf zone and the potential long term environmental impacts. It has not yet been built, and although it may be called a repair, the

9-5

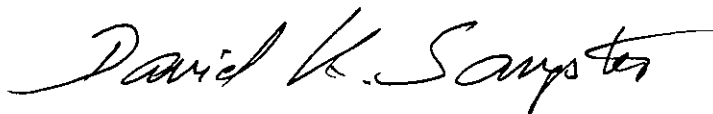
9-6

new wall going completely around PRC 421-2 is a very big new structure. It certainly should have been at least mentioned in the document and at the scoping hearing. It dwarfs the wellhead and two table sized separators that were mentioned and described in detail.

The problem of rotting metal was new to me – after reporting the smelly fluid coming out of PRC 421-1 in December 2004, it was determined that the smell was not coming from the very high concentrations of H₂S that could be associated with a sour gas leak, but possibly from some other source. I found an information block on the OSHA web site that explained that old metal can produce H₂S – the process is called metal fatigue and hydrogen embrittlement, and the possible problems are exposure to H₂S as well as structural failure. There is a lot of rotting metal associated with the piers and the impacts must be considered.

9-7

Sincerely,

A handwritten signature in cursive script that reads "David K. Sangster".

David K. Sangster

Phone (805) 968-0058, e-mail daksangstr@juno.com